

Wastewater Infrastructure

Using the Environmental
Infrastructure Financing
Program



**Municipal Finance
And Construction**

**New Jersey Department of
Environmental Protection
Division of Water Quality**

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE FINANCING PROGRAM

The New Jersey Environmental Infrastructure Financing Program (EIFP) is a partnership between the New Jersey Department of Environmental Protection (DEP) and the New Jersey Environmental Infrastructure Trust. The Legislature created the program to offer local governments and private water purveyors low-cost financing for construction of wastewater and drinking water infrastructure, landfill construction and closure, and stormwater and nonpoint source pollution management projects. Nonpoint source projects may include open space acquisition and remedial action such as a brownfields cleanup that produces a water quality improvement.

WASTEWATER INFRASTRUCTURE

Meeting New Jersey's wastewater infrastructure needs is an important step in establishing a strong environmental and economic future. Proper wastewater treatment ensures valuable water resources remain clean and usable. Deficient wastewater treatment could significantly harm New Jersey's waters and create serious public health hazards. Insufficient treatment capacity could adversely affect New Jersey's economy.

Unfortunately, many communities are plagued by wastewater problems such as leaking pipes, inadequate capacity, deficient treatment, combined sewer overflows, failing septic systems, or sludge disposal problems.

The EIFP can help your community tackle these problems. The EIFP provides low-cost financing for improvements to wastewater infrastructure which reduces costs for the users.

Upgrading inadequate wastewater infrastructure is a priority for many municipal governments and utilities. Correcting combined sewer overflows presents a particularly significant challenge to financially stretched urban communities. The EIFP can help these municipalities and utilities achieve federal and state environmental improvement goals.

FINANCING THROUGH THE EIFP

EIFP borrowers receive two loans, a zero percent interest loan from DEP and a market rate loan from the sale of the Trust's AAA-rated tax-exempt bonds. Some projects will receive 75 percent of the total loan from DEP and 25 percent from the Trust, making the loans financed at only one-quarter of the market rate. Qualifying for the 75/25 financing are:

- Projects serving a designated urban center or urban complex
- Combined sewer overflow projects
- Open space acquisition projects

All other projects will receive 50 percent of the total loan from DEP and 50 percent from the Trust, making these loans financed at one-half of the market rate.

WHAT IS ELIGIBLE FOR FUNDING?

- Secondary and advanced wastewater treatment facilities
- Infiltration and inflow correction
- Interceptors, pumping stations, force mains and collection systems
- Sewer system rehabilitation
- Correction of combined sewer overflows
- Solutions for malfunctioning septic systems

WHAT ELSE CAN BE FUNDED?

- Remedial work
- Stormwater and nonpoint source pollution management projects, including street sweepers, skimmer boats, and netting on outfalls
- Landfill construction and closure
- Drinking water projects
- Open space acquisition and conservation
- Security such as fencing, lighting, motion detectors, and cameras

CONTACT US FOR INFORMATION

- **Engineering Planning and Design**
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- **Environmental Planning, Design and Project Priority List** - (609) 292-3859
- **Financial Applications and Payments** - (609) 633-1208

ADVANTAGES OF BORROWING THROUGH THE EIFP

Lowest interest – Wastewater infrastructure projects are eligible for loans at one-quarter or one-half of the market rate.

Reduced financing costs – Borrowers benefit from reduced costs due to the economies of scale of a pooled bond issue. Bond insurance is rarely needed, interest may be capitalized and principal payments deferred during construction, and the debt service reserve fund is capitalized by the state.

Match to other funding programs – The amount available to project sponsors for EIFP loans is unlimited and can be used to supplement grants and other loan programs.

HOW TO QUALIFY

October 1 of each year is the deadline for submitting a commitment letter and planning documents to qualify for a loan award in November of the following year.

Pre-award approval may be granted to allow applicants to proceed with a project before the loan award.

Short-term financing for approved work initiated before the loan award is also available through the EIFP.



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